

EFG Hermes IFA Business Integrated Report 2025-2026

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SECTION I. Introduction: History & Executive Summary

EFG Hermes IFA Brokerage Company is a licensed Brokerage firm on Boursa Kuwait. Founded in 1986 as Gulf Brokerage Co. & in 2008 Gulf Brokerage Co. was affiliated through a stake sale to EFG Hermes Group affiliates by IFA Group. EFG Hermes Group is the leading regional investment bank and the biggest brokerage arm in the MENA region with licensed on ground presence in UAE, KSA, Egypt, Kenya and Nigeria, and execution capabilities in over 75 other markets.

IFA Group of companies is one of the oldest and most experienced groups in the financial sector in Kuwait.

Through the said affiliations, EFG Hermes IFA Brokerage Company, possess the regional experience in providing international standard brokerage services as well as the local know-how.

The firm has held the top rankings on Boursa Kuwait for over 5 years. The firm ended 2025 ranking 2nd amongst the licensed brokers with majority market share of executions and held to this position for the past 5 years since 2021. The firm has one of the biggest client bases in the Kuwaiti market across all client segments covering; retail, VIP, High Net Worth clients, local institutions as well as GCC and Foreign institutional Investors. EFG Hermes IFA executes above 70% of all inflows from foreign institutional investors into the Kuwaiti Bourse.

EFG-Hermes IFA was an important lynch pin and played a significant role in the executions of all the FTSE tranches upon Kuwait's upgrade as well as the MSCI emerging market upgrade executing the significant portion of all the inflows. EFG-Hermes IFA is the preferred broker for foreign institutional investors executing in

Kuwait and the firm play an important role in relaying ideas and feedback between the foreign institutional investors and all local entities such Boursa Kuwait & Kuwait Clearing House in addition to Kuwait's regulatory body to help further enhance and develop the efforts lead by CMA and Boursa Kuwait in the development of Kuwait's capital markets.

The firm employees over 50 staff members across; Front office, Dealing desks, Operations, Customer Service, Finance & Accounting, Compliance, Risk, Admin, Executive Management. The firm adheres to the highest standards across all departments with special emphasis on the highest compliance, risk & AML standards in the MENA region.

The firm since inception has always strived to maintain leadership amongst competition and grow its market share through providing international standard brokerage services to its existing clients and its targeted client base. In light of the many positive changes and initiatives announced, the firm believes that it stands on very solid ground to capture further success.

SECTION II. Company Activities

Core activities are mainly focused on the scope of the current license granted by the CMA mainly revolving around execution only in the Kuwait market for the different client segments. However, executions are also complimented with a wide array of services offered to clients, such as:

- Foreign institutions dedicated trading desk & OPS team to facilitate market access and trades settlements.
- Local institutions & Funds dedicated trading desks with dedicated OPS team to facilitate trades settlements and account opening.
- HNW & Retail Brokerage through dedicated trading desks along with a customer service desk.
- Online trading through mobile apps/website & A dedicated customer service/technical support desk.
- Unlisted securities OTC trading desk.
- Facilitating access to meetings for its foreign institutional clients with market participants such as the Regulator (CMA), Operator (Boursa Kuwait) and top management of listed Kuwaiti companies.
- Creating road shows for Foreign Institutional Clients to meet with the above.
- Creating roadshows in the USA, Europe and the region to meet with institutional clients and promote the Kuwait Stock Market.
- Through its affiliation with EFG Hermes Group, EFG Hermes IFA invites listed company's management to participate in conferences held in the region and Europe to meet with foreign Institutional clients.
- Cash Management in liaison with commercial banks.
- Cash settlements and clearing against KCH.

B2 – Activities and Services in the Pipeline to Be Added Soon

Margin Lending Performed by Brokerage Firms.

Launching EFG Hermes ONE trading platform.

B3 – Future Activities to Be Added Upon Testing Compilation

- Multi-Currency Fixed income products.
- Multi-Currency ETF's.
- Cross trading among regional & International markets.

SECTION III – Company Risk & Mitigation

EFG Hermes IFA faces Financial as well as non-financial risks due to its nature of business, Main Financial risks are Market risks, IT risks and Operational risks. Risk management for managing business risks starts with risk identification followed by risk assessment, risk mitigation, monitoring and risk reporting.

To mitigate market risks internal controls have been optimized to enhance the capability to monitor orders' flow and minimize trading errors. For IT risks EFG Hermes has BOD approved business continuity plan & back up policy to ensure smooth operations during any technology failover, as per EFG policy an annual BCP drill must be conducted on annual basis to test the efficiency of the plan across all business functions.

Non-Financial risks faced by the EFG Hermes are compliance, legal and strategic. Apart from having documented risk management policy and procedure for all business and support units, to serve as a guidance to manage the day to day Compliance function in coordination with legal department identifies and publishes any new regulations and conducts annual mandatory AML & Fraud trainings for all EFG Hermes staff to ensure that all staff are aware and updated with all related laws and regulations.